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January 21, 1999

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Re: North American Numbering Administrator CC Docket No. 92-237 NSD File No. 98-151

Dear Ladies & Gentlemen:

Enclosed is a courtesy copy of our correspondence addressed to Lawrence E. Strickling, Chief, Common Carrier Bureau, Federal Communications Commission. The enclosed correspondence addresses issues and questions in reply to FCC Public Notice DA 99-117, CC Docket No. 92-237, NSD File No. 98-151.

Very truly yours,

David Ian Katzma

DIK/ljd encl.

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January 21, 1999

Lawrence E. Strickling, Chief Common Carrier Bureau Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

> Re: North American Numbering Administrator CC Docket No. 92-237 NSD File No. 98-151

Dear Mr. Strickling:

This correspondence is submitted pursuant to FCC Public Notice DA 99-117, seeking issues and questions on the Common Carrier Bureau's Request for Expeditious Review of the Transfer of the Lockheed Martin Communications Industry Service Business. For the limited purpose of responding to the public notice, we represent Semtek International, Inc., a Massachusetts company previously involved in contracts for the commercial use of Russian-manufactured communication satellites and currently engaged in litigation with Lockheed Martin for claims alleging interference with those contracts and related commercial torts. As a result of its past business dealings and current litigation with Lockheed Martin, Semtek is uniquely positioned to frame relevant issues and questions and provide comments in reply to the Common Carrier Bureau's request.

Clearly this is a matter of significant public interest. In order to obtain its position as third-party administrator of numbering resources, Lockheed Martin competed for a five-year appointment as NANPA, a fiduciary obligation and public trust, assuring prospective competitors and the United States of its neutrality and fairness. Before Lockheed Martin assumed this position of public trust, less than a year ago, serious questions were raised concerning its prior business activities and future intent with regard to provision of common carrier communication services. In view of its simultaneous attempt to acquire Comstat and divest itself of its obligations under NANPA, Lockheed Martin should now be subject to in-depth investigation of its past business activities in common carrier communications, its current dealings--particularly with regard to Warburg, Pincus & Co., and its future plans in the communications field.

Serious and considered inquiry is merited because representations were made by Lockheed Martin to an Agency of the United States concerning assumption of a five-year

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obligation of public trust and because, if Lockheed Martin is permitted to acquire Comstat, these past and present events may affect the future of both NANPA and global common carrier communication services. While they might be addressed separately, these two transactions ought to reviewed and analyzed together because the relationships between them may have very serious implications. In matters affecting a public trust predicated upon neutrality and fairness, the suggestion of misconduct is itself grounds for strict scrutiny.

General issues and areas of inquiry should include:

A. At what point in time did Lockheed Martin decide to enter the communications field as a competitor?

This relates directly to the issue of whether Lockheed Martin acted in good faith last year, when it competed for and accepted its five-year NANPA appointment. Scrutiny of this issue is also warranted as fundamental questions of fairness and neutrality may now exist with regard to Lockheed Martin's administration of the numbering plan during the past year.

B. What advantages, if any, were gained by Lockheed Martin and/or its affiliates as a result of its tenure as NANPA?

If there is evidence which reasonably supports a finding that Lockheed Martin gained a competitive advantage through its brief tenure as NANPA, then its attempt to "transfer" its interest to Warburg, Pincus & Co. is at best problematic, as is its bid to acquire Comstat.

C. What misrepresentations or false statements, if any, were made by Lockheed Martin to its competitors and/or the United States regarding its activities, plans, and intentions in the communications field, particularly as they affect neutrality and fairness regarding its NANPA obligations?

In matters of national interest involving a public trust and/or fiduciary obligation based upon neutrality and fairness, past statements and prior intent are valid areas of inquiry.

D. When did Lockheed Martin first consider purchase of Comstat?

The importance of this inquiry is obvious as, if Lockheed Martin's internal assessment of Comstat's acquisition preceded its assumption of NANPA, the timing would raise serious questions about its neutrality and fairness.

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E. What is the past and present relationship between Warburg, Pincus & Co. and Lockheed Martin, including details of past transactions, financing, and whether the private funds of the senior officers and directors of Lockheed Martin are invested through Warburg, Pincus & Co.? Are there overlapping or interlocking board members, managers, or working committees?

Any meaningful connection between Lockheed Martin and Warburg, Pincus & Co. should be considered grounds to select an alternative administrator-presumably Mitretek.

F. What are the specifics of the purchase by Warburg, Pincus & Co. of the Lockheed Martin Communications Industry Services Business?

Virtually no substantive information has been provided by Lockheed Martin--or for that matter, Warburg, Pincus & Co.--regarding the transaction. The public has not been informed of the terms, conditions, or price.

G. What background does Warburg, Pincus & Co. bring to the communications field? What level of commitment does Warburg, Pincus & Co. bring to the five-year obligation of NANPA?

There is serious cause for concern about these matters as Warburg, Pincus & Co., silent until now in this matter, is basically a private bank and equity fund administrator, lacking any track record in the communications field.

H. Do the actions of Lockheed in these matters constitute sufficient breaches of its public trust and fiduciary obligations to preclude its (1) involvement in decisions about the transfer of NANPA and/or (2) acquisition of Comstat?

These issues should be reviewed and analyzed by the FCC after assembling all relevant facts.

Specific questions proposed in interrogatory form may also include:

 Describe in detail all prior acquisitions, investments, and related business activities from 1990 through the present involving communication services, including but not limited to satellite-related transactions, through Lockheed, Lockheed Martin and Martin Marietta and/or intermediary companies.

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- 2. List and describe in detail all civil, non-military business transactions concerning foreign-manufactured satellites involving Lockheed Martin and/or Martin Marietta and Richard Millman/Transworld Communications (U.S.A.), Inc. and/or Transworld Communications (Bermuda), Inc. prior to Lockheed Martin's assumption of obligations under NANPA.¹
- 3. State the date upon which the assessment of Comstat for purposes of acquisition by Lockheed Martin and/or Martin Marietta was commenced (including work performed by third parties) and: (a) list the person or persons performing any analysis and/or assessment; (b) describe in detail the nature of the work performed; (c) identify each written document pertaining to the above-described analysis and assessment.
- 4. Describe in detail all agreements and business activities concerning satellite transactions during the past ten years between Lockheed Martin and/or Martin Marietta and Transworld Communications (U.S.A.), Inc. and/or Transworld Communications (Bermuda), Inc. and (a) Merkuriy, (b) Smolsat, (c) Shaw, Pittman, Potts & Trowbridge, (d) International Technology Integration, (e) Orion Network Systems, Inc., (f) Globe Systems, Inc., (g) Cable and Wireless, (h) Intersputnik, (i) Tass Loutch Telecom (TLT), (j) Advance Communications and Technology Operations (ACT).
- 5. Describe in detail all business transactions involving and/or between Lockheed, Martin and Warburg, Pincus & Co. during the past ten years, including but not limited to acquisitions, equity investments, financing, and related activities.
- 6. Describe in detail the anticipated transfer from Lockheed Martin to Warburg, Pincus & Co. of the CIS business as it pertains to NANPA, including but not limited to purchase price, terms, and conditions.
- 7. Identify each individual and describe in detail the background, training, and experience of Warburg, Pincus & Co. senior management and director- level personnel in: (a) the common carrier communications field; (b) the administration, direction, and oversight of NANPA-related obligations.

¹Upon information and belief, Transworld is a duly licensed U.S. telecom company.

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- 8. List each member and describe in detail each working group, task force, committee and/or oversight group and/or related entities involved in the decisions by Lockheed Martin and/or Martin Marietta to: (a) acquire Comstat; (b) enter the common carrier communications business on a greater than *de minimis* level; (c) divest Lockheed Martin of its CIS business and/or NANPA obligations. State the date each working group, task force, committee and/or oversight group was formed and the date each decision was initiated and finalized with regard to (a), (b), and (c) above.
- 9. List and describe in detail, including relevant dates, the Lockheed Martin and/or Martin Marietta New Business Acquisition Evaluation (NBAE) Committee's activities during the past ten years pertaining to: (a) Richard Millman/Transworld Communications (U.S.A.), Inc. and/or Transworld Communications (Bermuda), Inc.; (b) Comstat; (c) all civil, non-military satellite/telecommunication investments and transactions.
- 10. Describe in detail any and all internal corporate meetings involving Lockheed and/or Lockheed Martin and/or Martin Marietta executives regarding intended interference by Transworld and/or Richard Millman with Semtek International, Inc.'s negotiations for commercial transactions involving Russian satellites.
- 11. State whether the NBAE Committee at Lockheed Martin/Martin Marietta evaluated a business transaction that involved interference with Semtek International, Inc.'s acquisition of commercial rights to Russian satellites in favor of Richard Millman/Transworld Communications prior to Lockheed Martin's assumption of NANPA obligations.
- 12. State whether a task force at Lockheed Martin/Martin Marietta was created for the purpose of acquiring, from Merkuriy through Transworld, commercial rights to Russian satellites that were already the subject of negotiations between Merkuriy and Semtek International, Inc. and, if so:

 (a) state whether this task force included one or more of the following individuals--J.A. Blackwell, J.E. Egan, J.S. Gordon, C.R. Marshall, J.S. McLellan, and/or L.D. Montague; (b) list each date upon which the task force/committee met; (c) list the attendees at each meeting; and (d) identify and describe in detail all notes, memoranda, and documents related to the aforementioned meetings.

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- 13. List and describe in detail (including content, circulation, and dates) all internal memoranda generated by or on behalf of Martin Marietta/Lockheed Martin regarding interference with Semtek International, Inc.'s commercial transactions involving Russian satellites and/or negotiations with Merkuriy.
- 14. Describe in detail all funding, funding agreements, financial transfers, transactions, and agreements between Lockheed Martin and/or Martin Marietta and Richard Millman and/or Transworld Communications (U.S.A.), Inc. and/or Transworld Communications (Bermuda), Inc. occurring during the past seven years.
- 15. State whether Lockheed utilized Transworld Communications (U.S.A.), Inc. and/or Transworld Communications (Bermuda), Inc. as an intermediary to transfer money to Merkuriy for transactions involving Russian satellites that had previously been the subject of contractual negotiations with Semtek International, Inc.
- 16. Describe in detail Lockheed Martin's relationship to Anschutz Company, Denver, Colorado, as it relates to Transworld Communications (U.S.A.), Inc. and/or Transworld Communications (Bermuda), Inc.
- 17. State whether the following Martin Marietta/Lockheed Martin employees took part in corporate meetings in Bethesda, Maryland, for the purpose of acquiring, through Merkuriy, commercial rights to Russian satellites that were already the subject of negotiations between Merkuriy and Semtek International, Inc.:
 - (a) Tom Young
 - (b) Marcus Bennet
 - (c) Phillip Duke
 - (d) Frank Menaker
 - (e) Laurence S. Fedak
 - (f) Stephen J. Sesny
 - (g) Mike Henshaw
 - (h) Sam Ursini.
- 18. State the equity position/holdings of Lockheed Martin in Transworld Communications (U.S.A.), Inc. and/or Transworld Communications (Bermuda), Inc.

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19. Describe in detail the joint venture described as Lockheed Martin Intersputnik, Ltd., including Lockheed Martin's equity position, anticipated revenues, and the services provided by the joint venture.

Semtek believes that these questions should be propounded to Lockheed Martin because they bear on the issues of neutrality and fairness that are pending before the Common Carrier Bureau.

Very truly yours,

David lan Kataman